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## CENTRAL INTELLIGENCE AGENCY

OFFICE OF NATIONAL ESTIMATES

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STAFF MEMORANDUM NO. 45-55

SUBJECT: Yugoslavia's International Position\*

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1. In connection with the pending NSC Planning Board review of the NSC policy paper on Yugoslavia, we have reviewed our recent Yugoslav estimate, NIE 31/1-55, 19 May 1955. Although we noted in NIE 31/1-55 that the currently unresolved state of Tito's relations with both the West and the Sino-Soviet Bloc made it impossible to chart future Yugoslav foreign policy with any great degree of certainty, we estimated that Yugoslavia would not return to the Bloc so long as Tito remains in power. We warned, however, that it would probably continue to take advantage of opportunities to develop more friendly relations with the Bloc. In our view developments since publication of this estimate have generally tended to reinforce its analysis. Although the opening caveat still applies, we believe that the estimate remains a reliable basis for policy planning.

2. As we had anticipated, the "normalization" of relations with the Sino-Soviet Bloc has proceeded apace. Yugoslav hopes for an eventual relaxation of Soviet controls over the satellites--thus permitting the extension of Yugoslav influence within the Bloc--have continued to grow. Resumption of some form of contact between the Yugoslav and Soviet Communist parties appears increasingly probable. Nevertheless, the evidence from the Belgrade conference with the Soviets indicated that the Yugoslavs were intent on having their independence as well as their equal status accepted by the USSR. And while Tito's relations with the West have been

\* This memorandum was requested by the DD/I in connection with a Planning Board review of US policy toward Yugoslavia scheduled to begin on 8 August. The memorandum has been discussed with Yugoslav specialists in OIR, DD/P and OCI, and reflects their views.

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marked by continuing opposition to acceptance of new commitments, by further efforts to de-emphasize the military aspects of the Balkan Alliance, and by new outbursts of temper and bad manners over administration of US aid, he has made efforts to prevent an open break with the West and, we believe, would think twice before sacrificing Western aid--particularly economic aid.

3. Important recent developments, such as the Summit Conference, have almost certainly strengthened the Tito regime's belief that the threat of Soviet aggression has at least temporarily declined, that some form of "peaceful coexistence" is now possible, and that there is consequently no need for rapid progress in developing defenses against the USSR. These views will probably exercise an increasingly important influence on Yugoslav foreign policy if present trends in East-West relations continue. Under such circumstances, Tito's interest in maintaining his Western military ties and even his own military strength would probably tend to decline. At the same time, his willingness to enter into additional forms of association with the other Communist states, as through some form of party-to-party relationship, may increase. We continue to believe, however, that Tito will be restrained in these various matters by his desire to avoid compromising his independence, by his recognition of need for Western friendship, and by his sense of what the traffic will bear.

4. With respect to the question of US aid and Yugoslav military commitments, we felt at the time NIE 31/1-55 was written that any effort to press for an early showdown with Tito on aid and military commitments would be unwise, since it might convince Tito that the US was blindly pursuing military objectives and might therefore make him more amenable to Soviet lures. Tito would probably still be angry with the US if it refused to provide him with military aid except on its own terms, but with the international situation now somewhat less full of uncertainties the chances of an emotional reaction on his part have greatly diminished. There is still some chance that a modus vivendi on the military aid question might be worked out, since the present difficulties can probably be attributed in some degree to characteristic Yugoslav bad manners, personality differences, and a Yugoslav desire to drive a hard bargain. (The talk of building MIG's in Yugoslavia is probably such a bargaining tactic.) Nevertheless, it is even clearer than at the time we wrote NIE 31/1-55 that US bargaining strength vis-a-vis Yugoslavia has been weakened by Tito's decreased fears of Soviet aggression.

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The Yugoslavs are not only unwilling to make additional commitments to insure continuing military aid but also, because of their lessened fear of war and their belief that the West would feel compelled to come to their aid if war broke out, may be willing to give up military aid entirely rather than comply with US surveillance requirements. While their need for continued economic aid is considerably more pressing, we continue to believe, as estimated in NIE 31/1-55, that Yugoslavia could probably not be pushed into moves toward increased Western defense ties even by the threatened loss of economic loss.

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